

Duvall City Council Agenda

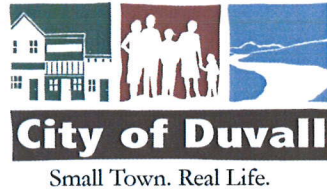
COMMITTEE OF THE WHOLE

Thursday, July 26, 2012

The Committee of the Whole includes
the Mayor and all City Council Members

Thursday, July 26, 2012 6:00 p.m. Duvall Fire Station Headquarters – 15600 – 1st Ave NE

| 1. CALL TO ORDER | | |
|-------------------------|---|--|
| 2. ITEM | | |
| | a. Duvall's Centennial Update - 15 minutes | Rich Andrews – Kimberly Engelkes Goal: presentation & update |
| | b. Report on Revenues & Expenditures - 20 minutes including Quarterly Investment Report. | Jill Long Goal: report |
| | c. SCA PIC Memo regarding KCD | Council Goal: discussion/direction |
| | d. Bid for Coe-Clemmons Creek Restoration – 5 minutes | Alana McCoy Goal: discussion |



Date: July 26, 2012

To: Mayor Ibershof and City Council

From: Jill C. Long, Finance Director

Re: Second Quarter Financial Report (50% of year = 50% Target)

The City's overall budget performance year-to-date is on track and is summarized in the tables attached (Exhibit 1 and 2). At midyear, overall City revenues are at 75% of budget and expenditures are 38% of budget. Activity and expenditures usually pick up during the third quarter with construction projects, repairs and maintenance, increased water use, and summertime events. Although 2012 is on track, there are challenges facing us next year that will need to be addressed in the upcoming budget discussions.

Highlights year-to-date include:

- Beginning fund balances were higher than budgeted. The General Fund began the year with \$104,348 more than originally budgeted. (Exhibit 8 shows General Fund by department)
- 45 new building permits were issued through June and permit revenues are 121% of budget, \$27,082 more than anticipated for the year.
- Development fees, plan check fees, and engineering fees total \$117,256 at midyear and are already at 98% of budget.
- Sales Tax revenue is above budget at 53.9% at midyear. Retail sales account for 48.2% of sales tax revenue and tax from construction brings in 23.7%. If the trend continues, sales tax will be \$40K over budget. (Exhibit 3)
- Real Estate Excise Tax (REET) is already 83.7% of budget and should exceed budget if home sales continue (Exhibit 4).
- Park and Street Impact Fees are both 160% of budget (Exhibit 5)
- Utility Taxes are at 52.8% of budget (Exhibit 6)
- The police station loan was paid off in June. The City has no general government debt, only utility revenue debt for the water and sewer utility (Exhibit 7)
- Although State shared liquor revenues were reduced, the sale of the liquor stores produced profits that were shared with the cities that covered the reduction for this year.
- Reserve fund balances are being met (Exhibit 8). Council has approved the transfer of \$28K from the contingency fund for IT software and equipment. A budget amendment is pending.

Issues to watch:

- Assessed valuation of property
- Delinquent Property Taxes may increase
- Telephone utility tax refund claims against the city of approximately \$78,000 (pending litigation)
- Continued Police Guild contract negotiations
- Health Insurance Costs
- Sewer General Facility revenues are currently below budget and are received only with final plats. Timing of development may delay receipt of these fees and necessitate the use of fund balance.
- New Construction – many of the increased revenues we have experienced are related directly to construction activity

Revenues and expenses will continue to be monitored to ensure we end the year in good condition.

Please feel free to contact me if you have any questions, 425 788-1185, ext. 8066 or Jill.Long@duvallwa.gov.

EXHIBIT 1: Midyear Budget to Actual Revenues – all funds

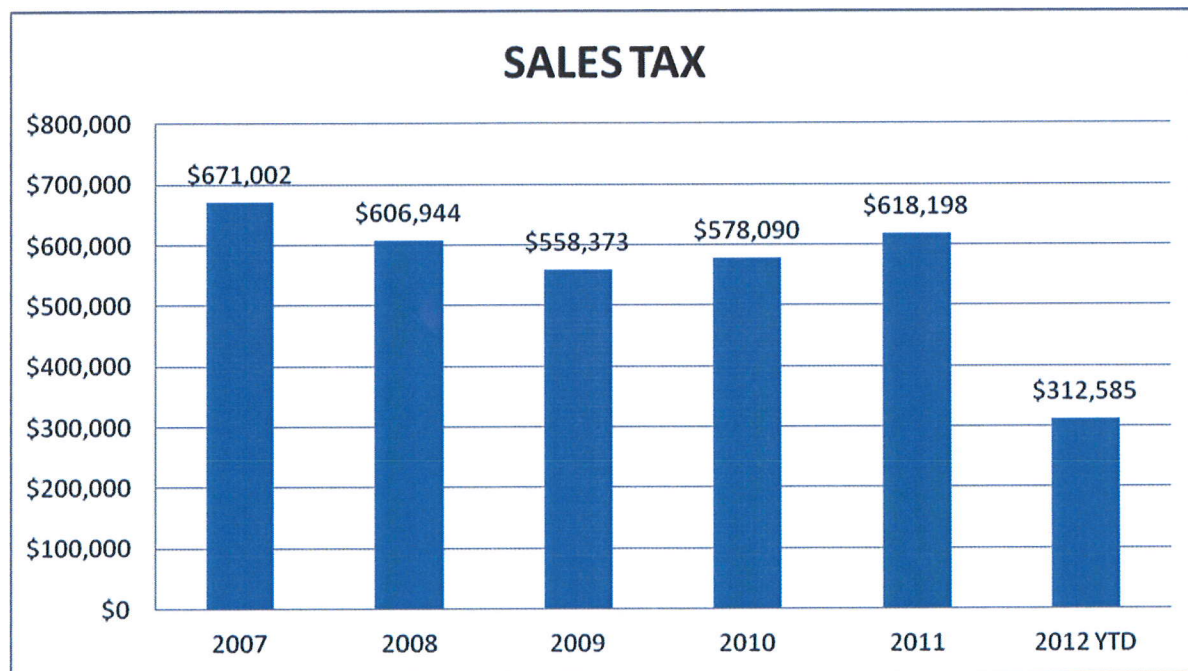
| Fund Types | 2012 Budget | YTD 2012 Revenues | % Received | Target |
|---------------------------|----------------|----------------------|---------------|--------|
| General Fund | \$ 5,066,736 | \$ 3,397,352 | 67.05% | ≥50% |
| Contingency Fund | 255,940 | 255,726 | 99.92% | ≥50% |
| Special Revenue Funds | 1,066,183 | 494,993 | 46.43% | ≥50% |
| Capital Project Funds | 2,190,172 | 2,363,246 | 107.90% | ≥50% |
| Utility Funds | 9,327,841 | 6,895,564 | 73.92% | ≥50% |
| Bond Redemption & Reserve | 754,211 | 536,145 | 71.09% | ≥50% |
| Internal Service Funds | 713,296 | 620,759 | 87.03% | ≥50% |
| Totals | \$ 19,374,380 | \$ 14,563,785 | 75.17% | ≥50% |

Revenues include beginning fund balances. Total revenues are above the target of 50% and are expected to meet or exceed budget by year end. The Special Revenue Funds will receive Grant revenues once the street projects begin this summer.

EXHIBIT 2: Midyear Budget to Actual Expenditures – all funds

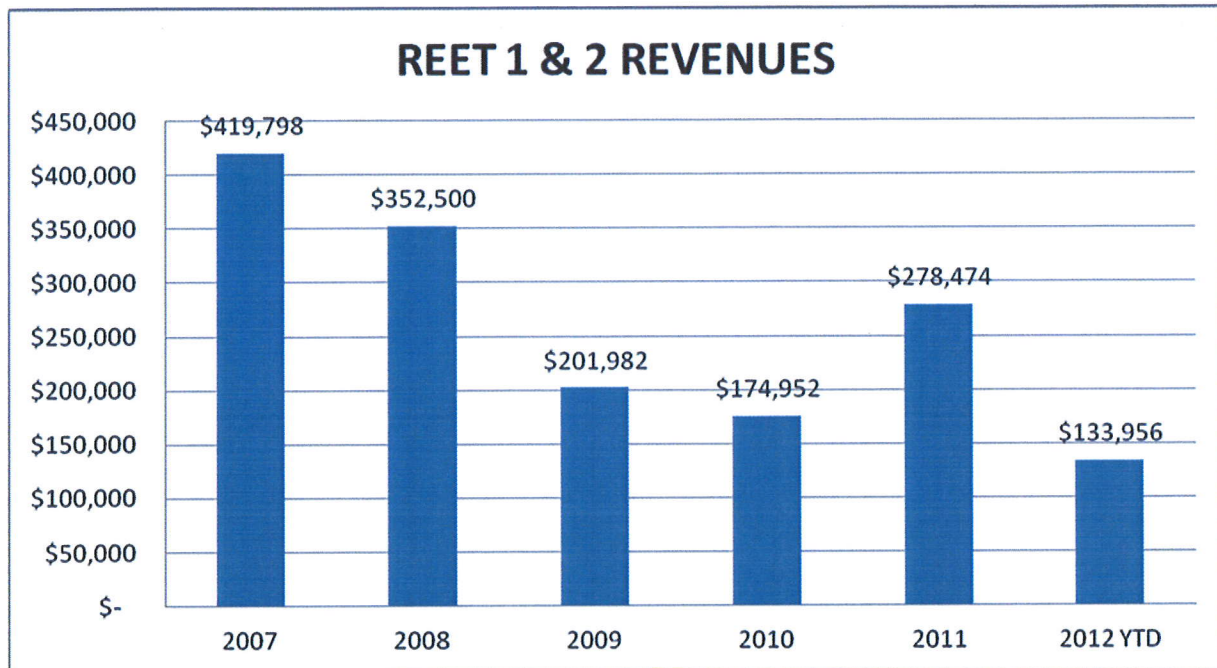
| Fund Types | 2012 Budget | YTD 2012 Expenditures | % Expended | Target |
|---------------------------|----------------|--------------------------|---------------|--------|
| General Fund | \$ 4,211,220 | \$ 1,706,503 | 40.52% | ≤50% |
| Contingency Fund | - | - | 0.00% | ≤50% |
| Special Revenue Funds | 599,951 | 226,022 | 37.67% | ≤50% |
| Capital Project Funds | 1,017,843 | 223,231 | 21.93% | ≤50% |
| Utility Funds | 5,340,975 | 2,234,944 | 41.85% | ≤50% |
| Bond Redemption & Reserve | 434,033 | 34,392 | 7.92% | ≤50% |
| Internal Service Funds | 223,559 | 125,974 | 56.35% | ≤50% |
| Totals | \$ 11,827,580 | \$ 4,551,066 | 38.48% | ≤50% |

Expenditures are below the 50% target at midyear. Activity and expenditures usually pick up during the third quarter. No major variances are predicted at this time.

EXHIBIT 3: Sales Tax

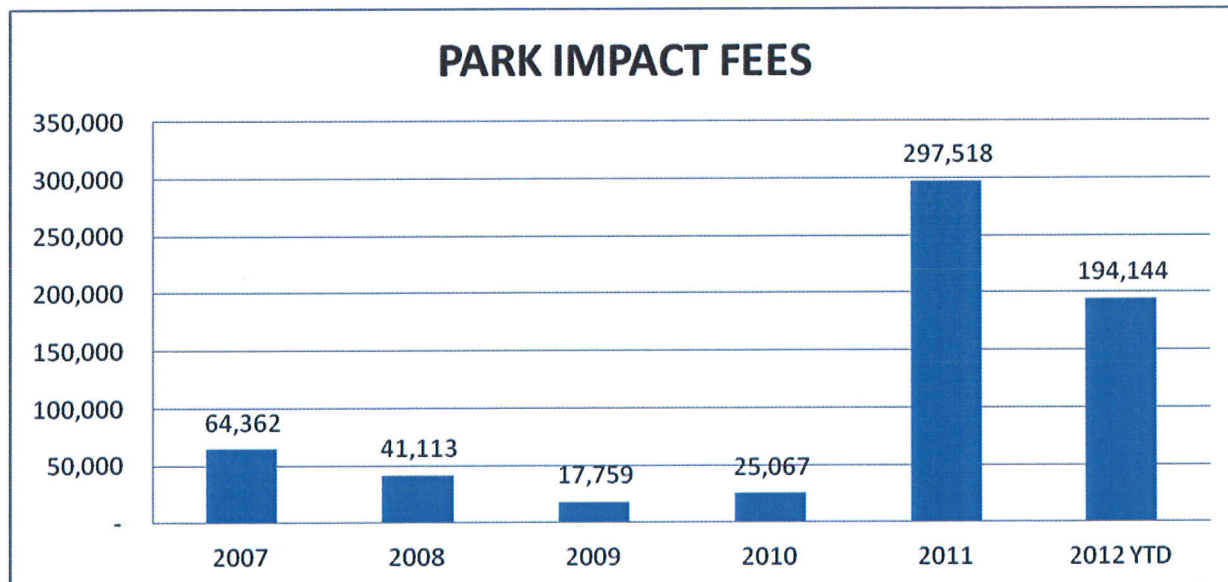
At midyear, 2012 sales tax is 53.9% of budget. Only \$580,000 was budgeted for the year; however, if the economy continues to improve and construction remains strong, we anticipate receiving \$620,000, or \$40,000 more than originally budgeted. 23.7% of sales tax revenue is from construction activity.

EXHIBIT 4: REET



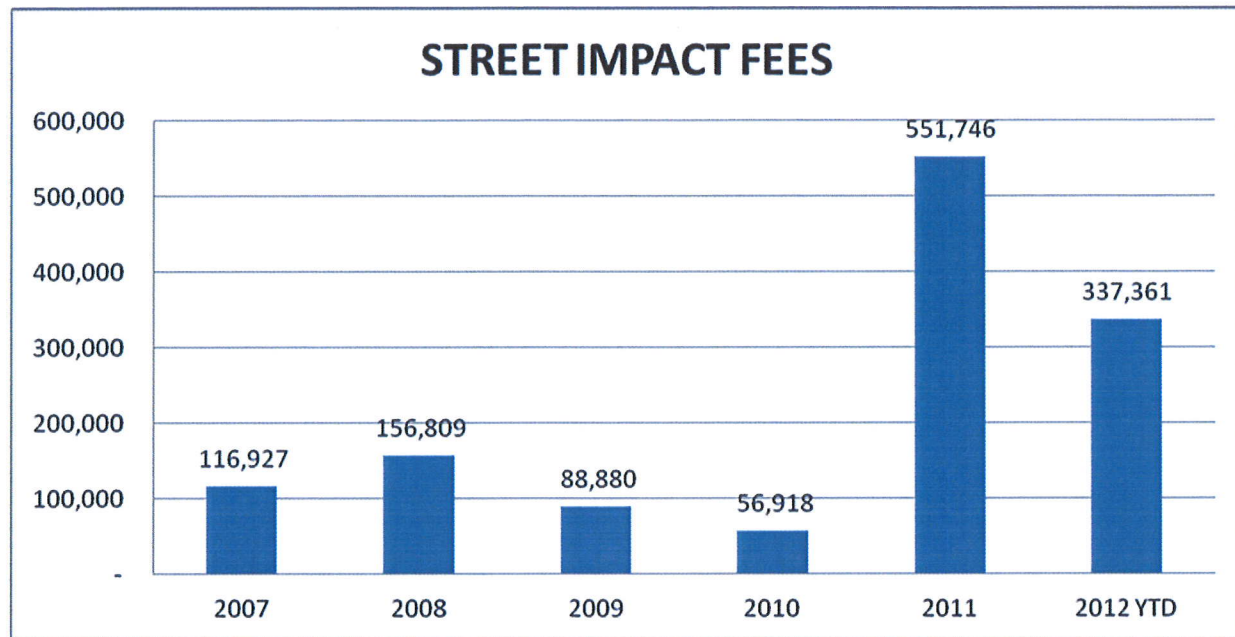
Real estate sales are improving and Real Estate Excise Tax (REET) is 83.7% of the \$160,000 annual budget at midyear. These funds are restricted for capital improvements.

EXHIBIT 5: Impact Fees



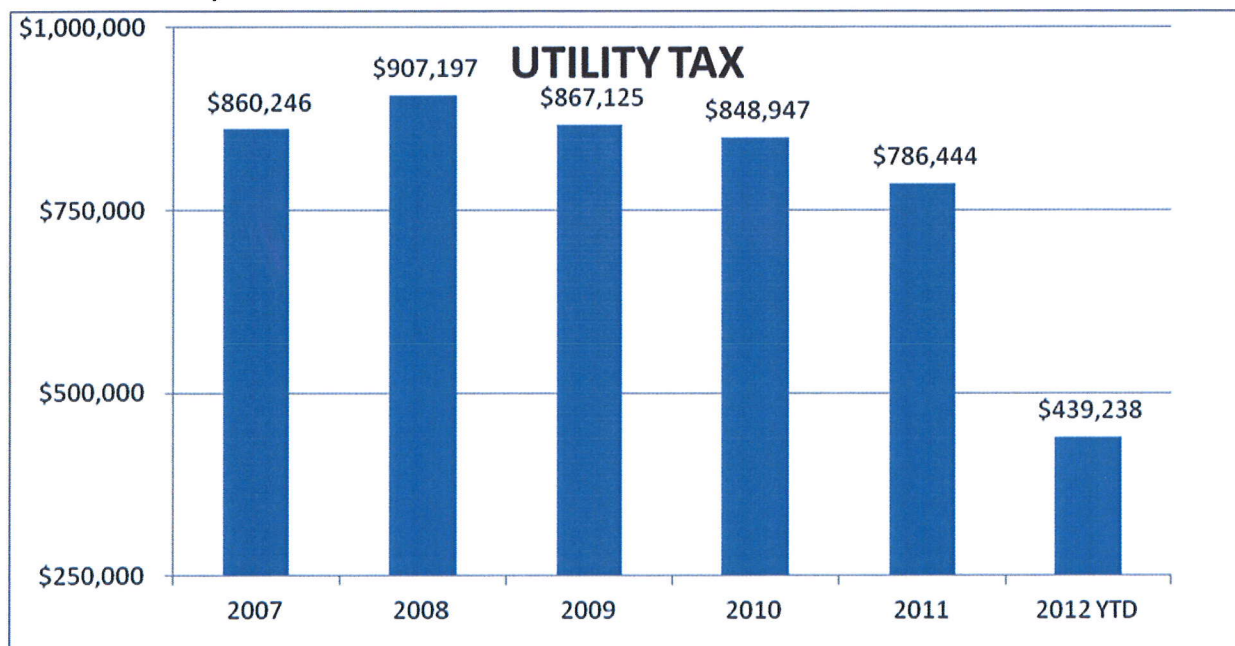
An increase in building permits has brought in additional park impact fees that have already exceeded budget for the year. Park impact fees are restricted for park capital improvements.

EXHIBIT 5 continued: Impact Fees



An increase in building permits has brought in additional street impact fees that have also exceeded budget for the year. Street impact fees are restricted for transportation capital improvements.

EXHIBIT 6: Utility Taxes



Utility taxes are at 53.8% of the \$831,184 budget at midyear. Utilities tax are from electric, gas, telephone, garbage, cable, and the city's water, sewer, and storm drain utilities.

EXHIBIT 7: Debt

Utility Revenue Debt

| | |
|----------------------------|-----------------------|
| 2.2M Gal Water Tank PWTF | \$ 149,021.35 |
| Water Main Pump PWTF | \$ 93,153.01 |
| 2.2 M Gal Water Tank Bonds | \$ 925,000.00 |
| Sewer Bonds | \$1,590,000.00 |
| SRF WWTP Loan | \$4,205,258.50 |
| Total | <u>\$6,962,432.86</u> |

The general government has no outstanding debt at this time. The utilities have outstanding loans and bonds as shown above. The utilities received an AA bond rating in 2011 and have bond reserves set aside and are in compliance with bond covenants. Applications for new Public Works Trust Fund Loans (PWTF) have been submitted and are pending but have not been approved or funded at this time.

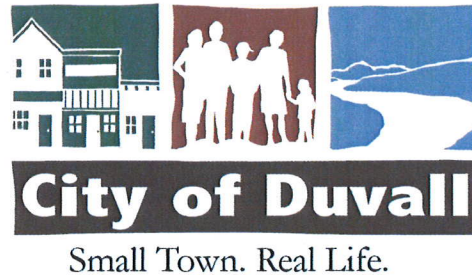
EXHIBIT 8: Fund Balances Reserves

| | | |
|---------------------------|---------------------|--|
| General Fund | \$ 686,370 | 17% of operating budget, 2 months coverage |
| Disaster Relief | \$ 25,000 | |
| Contingency | \$ 255,940 | Maximum allowed is 37.5% of AV |
| Water Utility | \$ 619,200 | |
| Sewer Utility | \$ 825,600 | |
| Sewer Utility, DOE Loan | \$ 335,000 | |
| Storm Drain | \$ 258,000 | |
| Utility Bond Debt Reserve | \$ 261,850 | per bond ordinance and covenants |
| Equipment Fund | \$ 200,000 | |
| Total Restricted Funds | <u>\$ 3,466,960</u> | |

Reserve balances are being met. The city has a total of \$9,880,812 on hand. Additional information may be found in the second quarter investment report.

EXHIBIT 9: General Fund Details

| | | | |
|--------------------------------|------------------------|------------------------|------------------------|
| Annual Revenue Report | | | |
| Fund 001 | | | |
| Through June 30, 2012 | | | |
| Target ≥ 50% | | | |
| Resources | 2012 Budget | YTD | YTD % Collected |
| Begin Fund Balance | \$ 1,226,342.53 | \$ 1,226,342.53 | 100.0% |
| Taxes | 2,564,186.62 | 1,327,615.78 | 51.8% |
| Licenses & Permits | 295,750.00 | 236,323.05 | 79.9% |
| Intergovernmental Revenues | 618,260.33 | 356,782.57 | 57.7% |
| Charges for Goods and Services | 124,300.00 | 118,997.41 | 95.7% |
| Fines & Penalties | - | - | 0.0% |
| Miscellaneous Revenues | 94,671.00 | 59,678.08 | 63.0% |
| Other | 143,226.00 | 71,613.00 | 50.0% |
| TOTAL | \$ 5,066,736.48 | \$ 3,397,352.42 | 67.1% |
| Annual Expense Report | | | |
| Fund 001 | | | |
| Through June 30, 2012 | | | |
| Target ≤ 50% | | | |
| Expenses | 2012 Budget | YTD | YTD % Expended |
| Legislative | \$ 66,104.00 | \$ 25,632.35 | 38.8% |
| Executive | 104,317.00 | 51,606.93 | 49.5% |
| Community Events | 49,300.00 | 936.78 | 1.9% |
| Finance Dept. | 245,239.00 | 99,417.30 | 40.5% |
| Planning Dept. | 294,031.00 | 122,318.36 | 41.6% |
| Building Dept. | 151,800.00 | 75,109.64 | 49.5% |
| Police Dept. | 2,425,501.15 | 1,008,895.76 | 41.6% |
| Economic Development | - | - | 0.0% |
| Recycling Dept. | 19,900.00 | 381.10 | 1.9% |
| Civil Service | 1,500.00 | - | 0.0% |
| Information Technology | 57,481.00 | 26,676.71 | 46.4% |
| Parks Dept. | 124,447.66 | 43,001.34 | 34.6% |
| Cultural Commission | 55,450.00 | 18,001.71 | 32.5% |
| City Mitigation Projects | 10,000.00 | 740.00 | 7.4% |
| Engineering Dept. | 237,497.70 | 62,963.14 | 26.5% |
| Non-Department | 368,651.00 | 170,821.85 | 46.3% |
| TOTAL EXPENSES | \$ 4,211,219.51 | \$ 1,706,502.97 | 40.5% |
| Ending Fund Balance | \$ 855,516.97 | \$ 1,690,849.45 | |
| TOTAL BUDGET | \$ 5,066,736.48 | \$ 3,397,352.42 | |



Date: July 26, 2012

To: Mayor Ibershof and Committee of the Whole

From: Jill C. Long, Finance Director

Re: 2012 2nd Quarter Investment Report

Per the City's Investment Policy, the Finance Director is to report quarterly to the Finance Committee on the City's investment activity. At the end of the second quarter, the City held the following investments:

| | | |
|--|------------------------|-----|
| Bank of America Money Market | \$ 1,612,520.74 | 17% |
| State Local Government Investment Pool | \$ 4,537,173.25 | 50% |
| Government Securities | <u>\$ 3,005,694.00</u> | 33% |
| Total | \$ 9,155,387.99 | |

Interest rates remain low and the forecasts indicate that the federal funds rate will remain low into late 2014. We only earned 0.1746% for the Local Government Investment Pool in June and Bank of America paid 0.05% for the money market account. Our other investments are paying between .31% and .733% and have maturity dates of less than 3 years as stated in our investment policy.

We have earned \$10,388.99 in interest for the first half of 2012, or 39.48 % of our annual budget. The interest is allocated to the various funds based on fund balances. We continue to look for investment opportunities with our primary objectives being safety, liquidity and yield.

At June 30, 2012, the City's total cash balance is as follows:

| | |
|------------------|---------------------|
| Investments | \$9,155,387.99 |
| Checking Account | \$ 713,778.54 |
| Operating cash | <u>\$ 11,645.59</u> |
| Total cash | \$9,880,812.12 |

Please feel free to contact me if you have any questions.

City Council

2012 Agenda Bill

City of Duvall
PO Box 1300
Duvall, WA 98019

| ITEM INFORMATION | | | |
|--|---|--------------------------------|------------|
| Title: | Agenda Date: 7/26/12 | Agenda Bill No. AB12-65 | |
| Lower Coe-Clemons Creek/Beaver Pond Wetland Restoration project | Department / Committee / Individual | | Originator |
| | Mayor Will Ibershof | | |
| | Planning Department – Lara Thomas | x | |
| | Public Works – Steve Leniszewski | x | |
| | Police Chief – Glenn Merryman | | |
| Cost Impact: tbd | Finance Department – Jill Long | | |
| Fund Source: 001.21.532.20.41.03 | City Attorney Review Yes <input type="checkbox"/> No <input type="checkbox"/> | | |
| Timeline: Aug. 2012 – Dec. 2015 | Committee Review Yes <input type="checkbox"/> No <input type="checkbox"/> | | |
| SUMMARY STATEMENT: | Name of Committee: | | |
| <p>The project site is approximately 2.9 acres and will include the removal of non-native invasive plants species that include reed canary grass, Himalayan blackberry, Japanese Knotweed and other weedy species. Following initial weed control work, the restoration area will be replanted with native vegetation. Monitoring and maintenance will begin immediately after the native plants are installed and continue for three years.</p> <p>The restoration actions will improve an important floodplain reach of the creek that salmon utilize and will improve shading and decrease water temperature at the beaver pond.</p> <ul style="list-style-type: none"> Grant funds include staff time, consulting, design and permitting. Remaining funds will be used for the project award. | | | |
| RECOMMENDED ACTION: | | | |
| Authorize and approve the Mayor to sign the contract with the low responsible bidder for the Lower Coe-Clemons Creek/Beaver Pond Wetland Restoration Project. | | | |
| AMENDED MOTION: | | | |

| RECORD OF COUNCIL ACTION | |
|---------------------------------|-----------------------|
| Motion as Proposed Above | Amended Motion |
| Motion Made by: | Motion Made by: |
| Seconded by: | Seconded by: |
| Passed: | Passed: |
| Failed: | Failed: |
| Cattin: | Cattin: |
| Collinwood: | Collinwood: |
| Walker, E.: | Walker, E.: |
| Nixon: | Nixon: |
| Gill: | Gill: |
| Ockerlander: | Ockerlander: |
| Walker, J: | Walker, J: |



Small Town. Real Life.

Department of Public Works

To: Duvall City Council

From: Steven J. Leniszewski, P.E.
Public Works Director

Date: July 20, 2012

Subject: Lower Coe-Clemmons Creek/Beaver Pond Wetland Restoration Project

BACKGROUND DISCUSSION:

The City of Duvall received a King Conservation District (KCD) WRIA 7 Forum grant in the amount of \$109,901.60 for the restoration work in the Coe Clemmons Creek corridor. Work was originally to be completed on the East side of Main Street but was relocated to the West side as of last year. This project location begins at the lower reach of Coe-Clemons Creek east of the Snoqualmie Valley Trail then north to Depot Park in the vicinity of the beaver pond. *see attached site plans.

- *The KCD grant is past due and the funds must be spent beginning 2012 and cannot be reallocated to any other project.*

The project site is approximately 2.9 acres and will include the removal of non-native invasive plants species that include reed canary grass, Himalayan blackberry, Japanese Knotweed and other weedy species. Following initial weed control work, the restoration area will be replanted with native vegetation. The restoration actions will improve an important floodplain reach of the creek that salmon utilize and will improve shading and decrease water temperature at the beaver pond. Monitoring and maintenance will begin immediately after the native plants are installed and continue for three years. All costs for the three year monitor and maintenance will be included in the project and funded by this KCD grant.

A restoration plan has been provided by ESA, the City's environmental consultant and the project was sent out for bid.

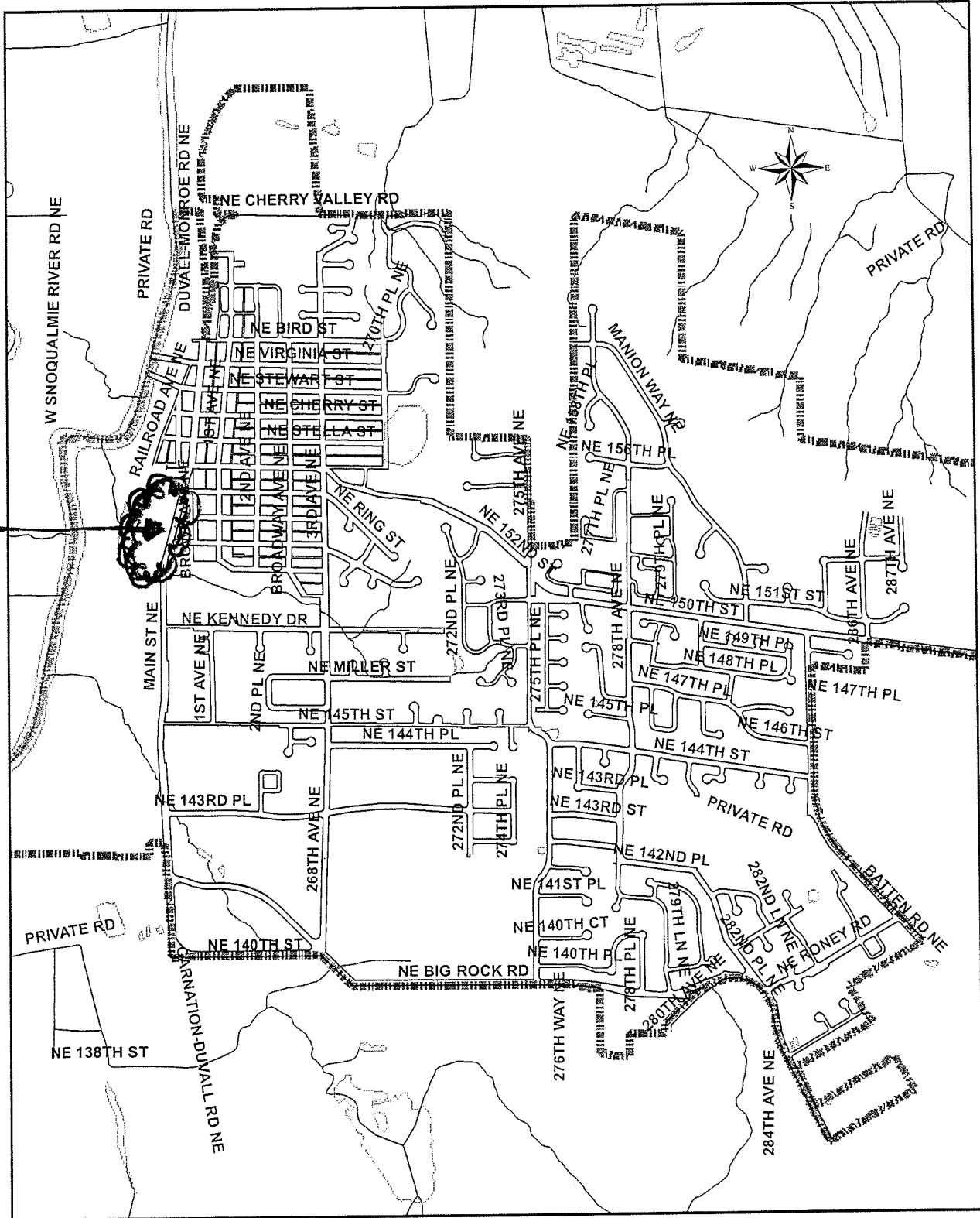
RECOMMENDATION:

Staff has met with KCD and has received approval from their board to move forward with the project.

Therefore, staff supports the project as proposed:

1. That the City Council supports the project current proposal.
2. Staff anticipates placing this item on the 8/09/12 Council agenda as an action item.
3. Council action item: Council authorize and approve the Mayor to sign the contract with the low responsible bidder for the Lower Coe-Clemmons Creek/Beaver Pond Wetland Restoration Project.

2012 Duvall City Limits



Legend



CityLimits 2012

